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# **Report Name:** Grain and Feed Annual

**Country:** Korea - Republic of

**Post:** Seoul

**Report Category:** Grain and Feed

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**Report Highlights:**

FAS/Seoul forecasts marketing year (MY) 2023/24 corn imports to remain flat, with U.S. market share gradually recovering towards the end of the year. Wheat imports are expected to decline towards the long term average as feed wheat loses a temporary price advantage over corn. Domestic wheat production will increase substantially in MY 2023/24 (albeit from a very low starting point), supported by government incentives to increase wheat self-sufficiency. In contrast, rice production in MY 2023/24 will fall due to acreage reduction incentives and low domestic prices.

# Contents

## Executive Summary

- Total domestic wheat consumption in marketing year (MY) 2023/24 is forecast to remain at 4.1 million metric tons (MMT). Per capita consumption is continuously increasing and reached 36.0 kg in 2022.
- MY 2023/24 wheat production is expected to reach 60,000 MT, driven by government policies to increase domestic production.
- After Russia's invasion of Ukraine, the import share of the two countries fell to 7.4 percent for wheat in MY 2022/23 (July-February data).
- MY 2023/24 total corn consumption is forecast at 11.4 MMT, led by recovered feed consumption offsetting the slight decrease in Food, Seed, and Industrial (FSI) consumption.
- MY 2023/24 total corn imports are forecast to remain flat at 11.7 MMT, with diversifying countries of origin.
- The U.S. feed corn market share in MY 2021/22 sharply declined due to competition from lower-priced South American feed corn and is expected to decline further in MY 2022/23. Production decreases this year caused by the severe drought in Argentina will tighten the South American feed corn supply, so the U.S. share will gradually recover at the end of 2023.
- MY 2023/24 rice production is forecast at 3.57 MMT (milled basis), five percent down from the previous year.
- Korea will maintain 0.41 MMT of imported rice under the 2023 TRQ scheme.

## Wheat

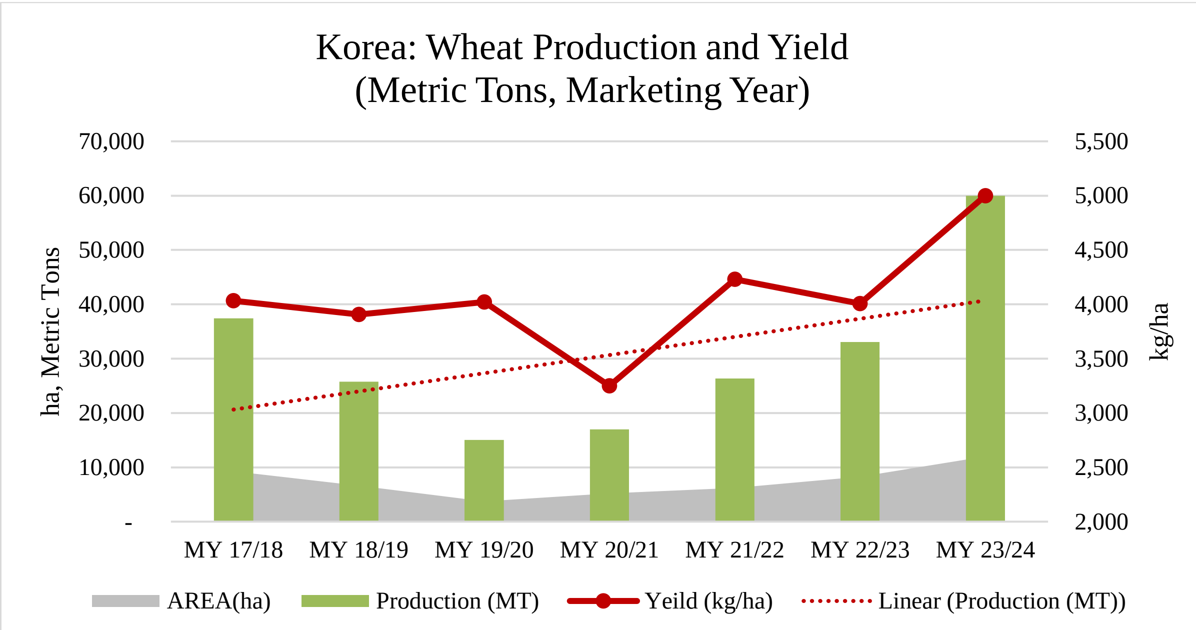
### Wheat Production

FAS/Seoul forecasts MY 2023/24 (July 1-June 30) wheat production to reach 60,000 metric tons (MT), substantially increased from the previous year. Planting area for the 2023 crop is an estimated 12,000 hectares (ha), driven by producer incentives from the Korean government intended to increase domestic wheat production.

In December 2022, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) released a long-term target to increase Korea's food self-sufficiency rate from 44.4 percent in 2021 to 55.5 percent in 2027, with the target rate of wheat for food use rising from 1.1 percent in 2021 to 7.9 percent in 2027. This plan includes government aid for production, sales, and technical support to achieve a 5 percent (equivalent to 120,000 MT of production) self-sufficiency rate for wheat by 2025. To help overcome a preference for imported wheat among millers, the government plans to provide incentives for milling companies to expand domestic wheat consumption, including promoting 'Korean Wheat Day' to support school and group meals using domestic wheat.
(Domestic Wheat Industry Promotion Implementation Plan, MAFRA)

The MY 2022/23 wheat production estimate is revised up to 32,110 MT, due to increased planting area. The government official production data will be released around June 2023. In MY 2021/22, wheat production reached 26,324 MT, up 54 percent from the previous year following recovery from unfavorable weather conditions in the previous year.

Chart 1




Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA), Korean Statistical Information Service (KOSIS)
Note: MY 2022/23 and MY 2023/24 figures are FAS/Seoul forecasts

**Wheat Consumption**

FAS/Seoul forecasts total wheat consumption in MY 2023/24 will reach 4.1 million metric tons (MMT), based on the assumption that feed wheat consumption will be down to 1.7 MMT from its peak in MY 2021/22, while Food, Seed, and Industrial (FSI) consumption remains steady at 2.4 MMT. Feed wheat consumption temporarily spiked in 2021/22 due to high feed corn prices.

In January 2022, MAFRA announced the 'Fostering Rice for Flour Industry' initiative to overcome problems with stockpiled rice (accumulated through government rice purchasing programs) and increase the self-sufficiency rate of grain by reducing the usage of imported wheat for milling. MAFRA's target is to increase rice for flour production to 200,000 MT in 2027 from only 119 MT in 2021. The long-term target of 200,000 MT is based on the goal of replacing 10 percent of milling wheat consumption.

As part of the rice flour initiative, the government is trying to promote the use of rice flour in new products by food companies in Korea, and 15 manufacturers are planning to launch 19 new products using rice flour. However, available volume remains low, so there is limited interest from larger manufacturers requiring large and consistent volumes. Even with significant growth in rice flour production, the very low starting point means that there should be no significant impact on wheat consumption for the foreseeable future. It will also take considerable time and investment to build this new industry through government support for both production and marketing.

Wheat consumption per capita is continuously increasing yearly, contrary to the decrease in rice consumption per capita. (Table 2, Chart 2) FAS/Seoul expects this trend towards wheat will accelerate further over the next few years due to growing preference for western-style snacks and treats that can be consumed quickly on the go, such as breads and pastries, rather than traditional Korean rice-based meals. Bakery and noodle products, followed by confectionery products, are leading the overall increase in food wheat consumption.

Table 1

| **Korea: Wheat Flour Content in Selected Products**<br>(Calendar Year (CY) 2021) | |
|---|---|
| Category | Percent |
| Bakery Products | 62.6 |
| Noodle Products | 61.9 |
| Confectionery Products | 44.3 |
| Chewy Cake Products | 19.0 |

Source: 2021 Food Ingredients Usage Report, aT

Wheat consumption in MY 2022/23 and MY 2021/22 is revised to 4.0 MMT and 4.6 MMT, respectively. There was a temporary increase in feed wheat imports and consumption in MY 2021/22 (driven by relative prices), but no further increase is expected in the coming years.

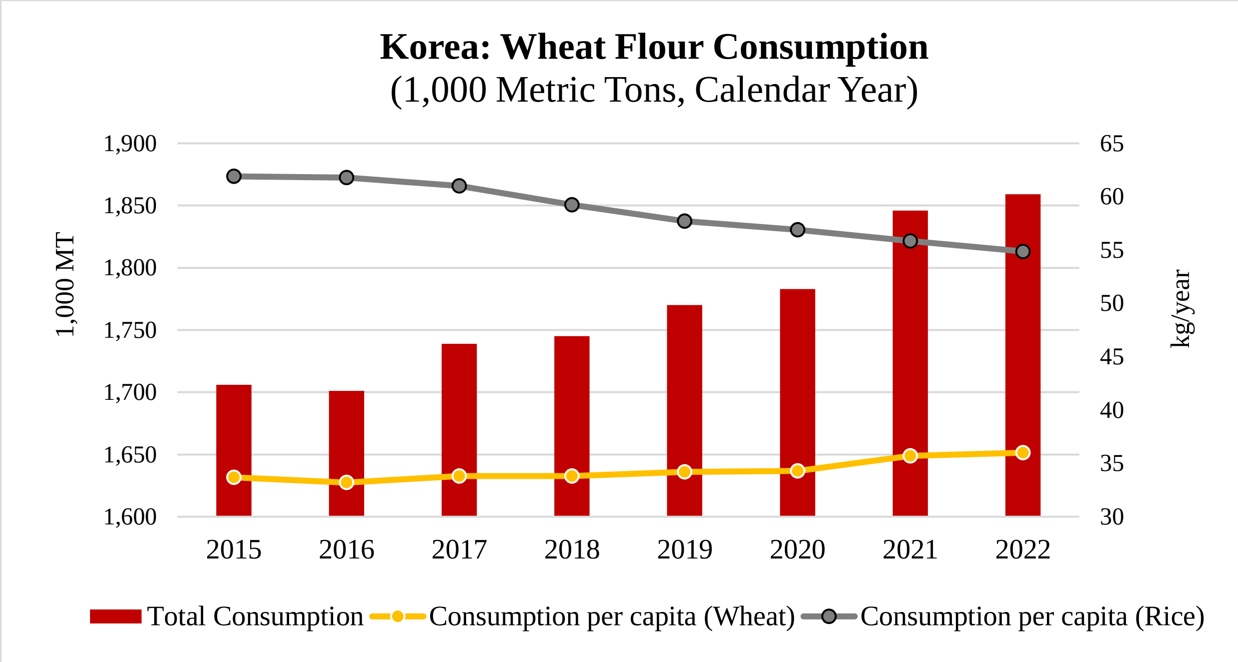
Table 2

| **Korea: Wheat Flour Consumption**<br>(1,000 Metric Tons, Calendar Year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Calendar Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Total Consumption [1/] | 1,706 | 1,701 | 1,739 | 1,745 | 1,770 | 1,783 | 1,846 | 1,859 |
| Per Capita (kg/Year) | 33.7 | 33.2 | 33.8 | 33.8 | 34.2 | 34.3 | 35.7 | 36.0 |

Source: Korea Flour Millers Industrial Association (KOFMIA)

1/ Based on flour millers’ sales on a wheat flour production basis and excluding animal feed and exports.

Chart 2




Source: Korea Flour Millers Industrial Association (KOFMIA), Ministry of Agriculture, Food, and Rural Affairs (MAFRA)

Table 3

| Korea: Monthly Wheat Use (1,000 Metric Tons) | | | | | | |
|---|---|---|---|---|---|---|
| Month | Feed Wheat | | | Milling Wheat [1/] | | |
| | MY2020/21 | MY2021/22 | MY2022/23 | MY2020/21 | MY2021/22 | MY2022/23 |
| July | 108 | 122 | 164 | 187 | 188 | 189 |
| August | 90 | 133 | 154 | 175 | 174 | 184 |
| September | 95 | 198 | 136 | 187 | 173 | 169 |
| October | 90 | 232 | 117 | 170 | 186 | 175 |
| November | 93 | 242 | 111 | 173 | 194 | 187 |
| December | 100 | 196 | 111 | 182 | 204 | 187 |
| January | 94 | 155 | N/A | 190 | 186 | 174 |
| February | 94 | 146 | N/A | 163 | 152 | N/A |
| March | 109 | 186 | N/A | 188 | 195 | N/A |
| April | 102 | 182 | N/A | 181 | 196 | N/A |
| May | 107 | 213 | N/A | 183 | 187 | N/A |
| June | 109 | 183 | N/A | 178 | 188 | N/A |
| **Total** | **1,192** | **2,188** | **N/A** | **2,157** | **2,223** | **N/A** |

Source: Korea Feed Association (KFA), Korea Flour Millers Industrial Association (KOFMIA)
1/ Excludes the usage for export, feed, and the portion used in soy sauce production (about 100,000 MT a year)

## Wheat Trade

FAS/Seoul forecasts total MY 2023/24 wheat imports at 4.3 MMT (including flour and pasta imports on a wheat equivalent basis), down from the MY 2022/23 and MY 2021/22 based on the assumption that feed wheat imports will move towards the previous three-year average.

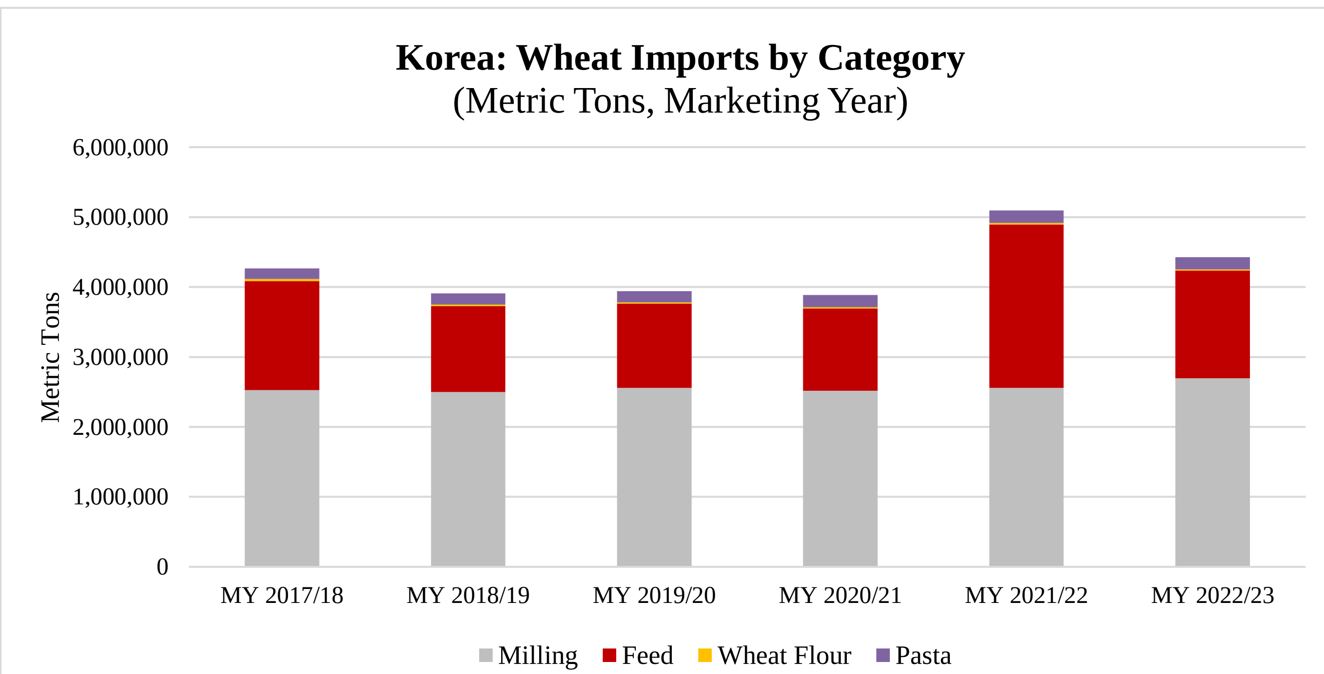
In MY 2022/23, the total wheat import estimate is revised to 4.4 MMT, reduced mainly due to the sharp decrease in feed wheat imports. In MY 2021/22, Korea imported 5.1 MMT of total wheat including 2.3 MMT of feed wheat, the highest level since MY 2011/12, offsetting the decrease in feed corn imports. The feed wheat import estimate depends to a large extent on the availability and price of feed wheat compared with feed corn since these are substitute products in the Korean feed market.

### Milling Wheat

Korean buyers prefer to source from the United States, Australia, and Canada for milling wheat due to the consistent value and quality reputation of those origins, and corresponding customer preferences. The United States is expected to retain a 45 – 50 percent market share for milling wheat over the next few years, followed by Australia (40 – 45 percent) and Canada (5– 10 percent) (Table 4).

FAS/Seoul forecasts MY 2023/24 milling wheat imports to remain at 2.5 MMT, similar to the MY 2022/23 level of 2.7 MMT (following 2.6 MMT in 2021/22) based on import trends during the first eight months of the year.

Chart 3




Source: Korea Customs Service (KCS), Trade Data Monitor LLC
Note: MY 2022/23 figures are FAS/Seoul forecast based on imports during the first eight months (July 2022 –February 2023). Flour, Pasta Imports are wheat basis (applied converting factor: 1.368)

Table 4

| Korea: Imports of Milling Wheat by Country (1,000 Metric Tons, Marketing Year) | | | | | | |
|---|---|---|---|---|---|---|
| Country | Volume | | | Share (Percent) | | |
| | MY 2019/20 | MY 2020/21 | MY 2021/22 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| USA | 1,281 | 1,301 | 1,178 | 50 | 52 | 46 |
| Australia | 1,072 | 1,024 | 1,149 | 42 | 41 | 45 |
| Canada | 201 | 187 | 224 | 8 | 7 | 9 |
| Others | 3 | 5 | 8 | 0 | 0 | 0 |
| **World** | **2,557** | **2,517** | **2,559** | **100** | **100** | **100** |

Source: Korea Customs Service (KCS)

Feed Wheat

For feed wheat, Ukraine and Russia used to be the main suppliers with a combined market share of 81 percent in MY 2018/19. After the Russian invasion of Ukraine, total shipments from the two countries decreased to a 7.4 percent share in MY 2022/23, based on the imports over the first eight months. (Table 6). Imports from Australia and India replaced supply from Ukraine and Russia.

Despite supply uncertainty from the key suppliers, feed wheat imports in MY 2023/24 are expected to remain at 1.6 MMT, in line with the three-year average. There are currently sufficient alternative origins to meet Korean buyer needs (including India, Bulgaria, Australia, and the United States) and Ukrainian grains can also be shipped from loading ports in Romania by inland transportations.

In MY 2022/23, Korean buyers imported 1.5 MMT of feed wheat, down from 2.3 MMT in MY 2021/22 when feed wheat imports surged due to relative price competitiveness over feed corn.

Table 5

| Korea: Imports of Feed Wheat by Country (1,000 Metric Tons, Marketing Year) | | | | | | |
|---|---|---|---|---|---|---|
| Country | Volume | | | Share (Percent) | | |
| | MY 2019/20 | MY 2020/21 | MY 2021/22 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| India | 0 | 0 | 464 | 0 | 0 | 20 |
| Bulgaria | 289 | 10 | 492 | 24 | 1 | 21 |
| Romania | 321 | 63 | 346 | 27 | 5 | 15 |
| Australia | 0 | 6 | 383 | 0 | 1 | 16 |
| USA | 64 | 453 | 121 | 5 | 38 | 5 |
| Others [1/] | 117 | 217 | 76 | 10 | 18 | 3 |
| Sub Total | 790 | 749 | 1,881 | 66 | 64 | 81 |
| Ukraine | 415 | 341 | 389 | 34 | 29 | 17 |
| Russia | 1 | 87 | 66 | 0 | 7 | 3 |
| Sub Total | 415 | 428 | 455 | 34 | 36 | 19 |
| **World** | **1,206** | **1,177** | **2,337** | **100** | **105** | **115** |

1/ Includes Estonia, Latvia, etc,

Table 6

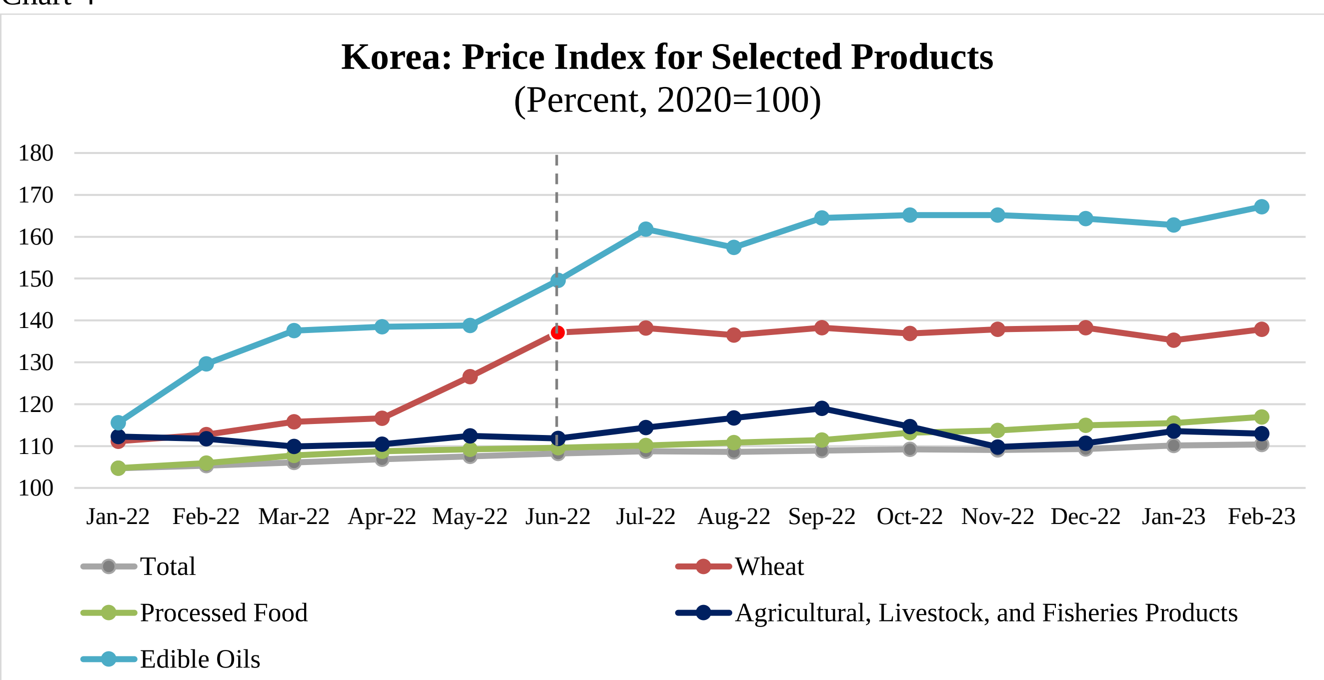
| Korea: Imports of Feed Wheat from Ukraine, and Russia (1,000 Metric Tons, Marketing Year) | | | | | |
|---|---|---|---|---|---|
| Country | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 | MY 2022/23[1/] |
| Ukraine | 741 | 415 | 341 | 389 | 74 |
| Russia | 251 | 1 | 87 | 66 | 37 |
| **Sub Total** | **992** | **415** | **428** | **455** | **111** |
| Percent (of Total) | 81.0 | 34.4 | 36.3 | 19.5 | 7.4 |

Source: Korea Customs Service (KCS)
1/ During the first eight months (July 2022– February 2023)

## Domestic Price

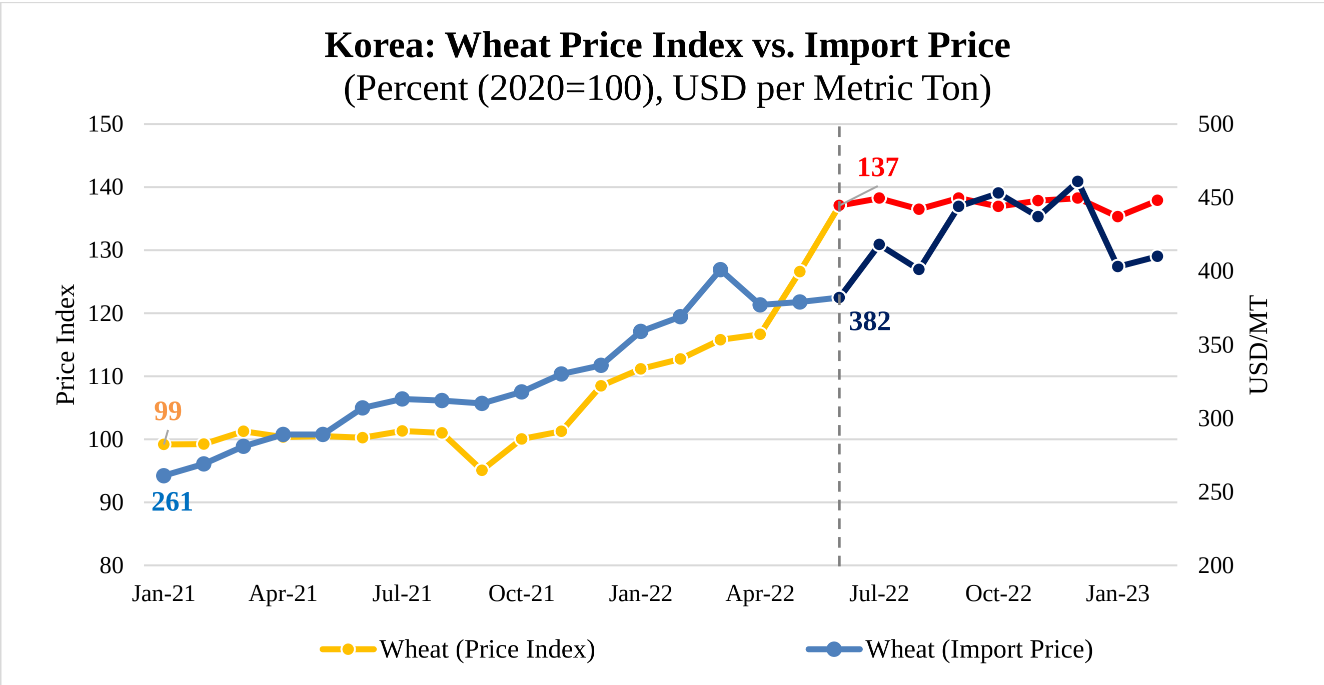
The import price of wheat increased substantially in 2021-2022, from $261 per metric ton in January 2021 to $382 per metric ton in June 2022. In response to rising consumer prices during this period, the Korean government announced a 'Flour Wheat Price Stabilization Measure' in June 2022. With an annual budget of 53 billion Korean won (equivalent to $40 million), impacted processing companies received a subsidy from the government covering a maximum of 80 percent of their import price increase. As highlighted in Chart 5, there has been no further price index increase since the implementation of the government's new policy. The Korean government originally intended to extend availability of this subsidy through the first half of 2023 but terminated the program early (as of January 2023) due to budget limitations.

Chart 4




Source: Korean Statistical Information Service (KOSIS)

Chart 5




Source: Korea Customs Service (KCS), Korean Statistical Information Service (KOSIS)

Flour Trade

FAS/Seoul forecasts MY 2023/24 wheat flour imports will remain flat at 20,000 MT (wheat equivalent), a similar level to MY 2022/23 and MY 2021/22. The main supplier is France, with imports from the United States totaling 1,300 MT in MY 2021/22. Wheat flour exports are expected to slightly increase over the next year, reaching 66,000 MT in MY 2023/24 from 61,000 MT in MY 2022/23.

In MY 2023/24, pasta imports are forecasted to increase slightly to 191,000 MT from 172,000 MT in MY 2022/23 and 179,000 MT in MY 2021/22. China and Italy will likely remain the dominant suppliers for imported pasta. Pasta exports are continuously expanding, expected to reach 400,000 MT in MY 2023/24 due to the growing popularity of Korean instant noodles internationally. Key export markets for Korean instant noodles include China, the United States, Japan, and Taiwan.

Table 7

**Korea: Wheat Flour Imports (H.S.: 1101)**
(Metric Tons, Marketing Year)

| Country | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
|---|---|---|---|---|---|
| USA | 382 | 362 | 469 | 676 | 1,300 |
| Total | 20,735 | 18,042 | 13,498 | 11,890 | 14,979 |
| **Total (Wheat Basis[1/])** | **28,365** | **24,681** | **18,465** | **16,266** | **20,491** |

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
1/ applied converting factor: 1.368

Table 8

| Korea: Pasta Imports (H.S.: 190219, 190230, 190240) (Metric Tons, Marketing Year) | | | | | |
|---|---|---|---|---|---|
| Country | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| USA | 449 | 492 | 479 | 637 | 521 |
| Total | 113,631 | 116,638 | 116,753 | 129,387 | 131,206 |
| **Total (Wheat Basis1/)** | **155,447** | **159,561** | **159,718** | **177,001** | **179,490** |

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
1/ applied converting factor: 1.368

Table 9

| Korea: Wheat Flour Exports (H.S.: 1101) (Metric Tons, Marketing Year) | | | | | |
|---|---|---|---|---|---|
| Country | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| USA | 5,806 | 6,416 | 8,585 | 7,084 | 8,297 |
| Total | 40,366 | 42,015 | 45,460 | 42,657 | 46,928 |
| **Total (Wheat Basis1/)** | **55,221** | **57,477** | **62,189** | **58,355** | **64,198** |

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
1/ applied converting factor: 1.368

Table 10

| Korea: Pasta Exports (H.S.: 190219, 190230, 190240) (Metric Tons, Marketing Year) | | | | | |
|---|---|---|---|---|---|
| Country | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| USA | 28,687 | 30,555 | 38,619 | 45,968 | 48,448 |
| Total | 173,310 | 171,719 | 220,730 | 242,209 | 276,231 |
| **Total (Wheat Basis1/)** | **237,088** | **234,912** | **301,959** | **331,342** | **377,884** |

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
1/ applied converting factor: 1.368

Tariffs

In late December 2022, the Ministry of Economy and Finance (MOEF) released the adjusted tariffs and autonomous tariff rate quotas (TRQs) for 2023. MOEF continues to exclude milling wheat from the list of autonomous TRQs, leaving all milling wheat to be charged the out-of-quota duty rate that remains fixed at 1.8 percent. By comparison, the feed wheat TRQ and corresponding duty were eliminated in 2007. However, under the United States-Korea Free Trade Agreement (KORUS FTA), import tariffs on all U.S. wheat, both milling and feed wheat, are zero.

The general tariff rate on wheat flour is 4.2 percent. Under the KORUS FTA, import tariffs on U.S. wheat flour (H.S. 1101.00.1000) were phased out over a five-year period, reaching zero in 2016. Tariffs under KORUS for meslin flour (H.S. 1101.00.2000), a mixture of rye and wheat flour, immediately fell to zero in 2012.

Table 11

| Korea: Wheat Import Tariff Rates for CY 2023 (Percent) | | | | | |
|---|---|---|---|---|---|
| Commodity | | Applied Tariff Rate | | WTO Bound Tariff Rate | |
| | | 2022 | 2023 | 2022 | 2023 |
| Durum Wheat, Seed | 1001.11.0000 | 3 | | 9.0 | |
| Durum Wheat, Other | 1001.19.0000 | 3 | | 9.0 | |
| Seed, Meslins | 1001.91.1000 | 3 | | 9.0 | |
| Seed, Other | 1001.91.9000 | 1.8 | | 1.8 | |
| Feeding, Meslins | 1001.99.1010 | 3 | | 9.0 | |
| Feeding, Other | 1001.99.1090 | 0 | | 1.8 | |
| Milling, Meslins | 1001.99.2010 | 3 | | 9.0 | |
| Milling, Other | 1001.99.2090 | 1.8 | | 1.8 | |
| Others, Meslins | 1001.99.9010 | 3 | | 9.0 | |
| Others, Other | 1001.99.9090 | 1.8 | | 1.8 | |

Source: Korea Customs Service (KCS)

Table 12

| Korea: Milling Wheat Imports by Variety (Metric Tons, Calendar Year) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Origin | Variety | CY 2020 | | CY 2021 | | CY 2022 | |
| | | MT | % | MT | % | MT | % |
| USA | No. 1 WW/SW[1/] | 489,072 | 22.4 | 466,874 | 21.2 | 421,623 | 18.4 |
| | No. 1 HRW 11.5 min. | 267,815 | 12.3 | 238,995 | 10.8 | 222,865 | 9.7 |
| | No. 1 DNS 14.0 min. | 358,362 | 16.4 | 313,897 | 14.2 | 307,294 | 13.4 |
| | No. 2 SRW | - | - | - | - | - | N/A |
| | Sub Total | 1,115,249 | 51.1 | 1,019,766 | 46.3 | 951,782 | 41.5 |
| Australia | ASW[2/] | 791,757 | 36.3 | 943,759 | 42.8 | 1,051,600 | 45.8 |
| | AH[3/] | 97,222 | 4.5 | 108,266 | 4.9 | 116,169 | 5.1 |
| | APW[4/] | 60,334 | 2.8 | 1,100 | 0.0 | 20,977 | 0.9 |
| | ANW[5/] | - | - | - | - | - | N/A |
| | Sub Total | 949,313 | 43.5 | 1,053,125 | 47.8 | 1,188,746 | 51.8 |
| Canada | No. 2 CWRS 13.5 min. | 116,710 | 5.3 | 130,749 | 5.9 | 155,125 | 6.8 |
| | No. 2 CPSR 11.0 min.[6/] | - | - | - | - | - | N/A |
| | Sub Total | 116,710 | 5.3 | 130,749 | 5.9 | 155,125 | 6.8 |
| Others | Organic Wheat Total | 463 | 0.0 | - | - | | - |
| **Grand Total** | | **2,181,735** | **100.0** | **2,203,640** | **100.0** | **2,295,653** | **100.0** |

Source: Korea Flour Millers Industrial Association (KOFMIA)

1/ Total Winter Wheat/Soft White Wheat, including 8.5 Max and 9.5 Max, etc.

2/ Australian Standard White Wheat

3/ Australian Hard Wheat

4/ Australian Premium Wheat

5/ Australian Noodle Wheat

6/ Canadian Prairie Spring Wheat

Table 13
**Production, Supply and Distribution: Wheat**

| **Wheat** | **2021/2022** | | **2022/2023** | | **2023/2024** | |
|---|---|---|---|---|---|---|
| **Market Year Begins** | **Jul 2021** | | **Jul 2022** | | **Jul 2023** | |
| **Korea, Republic of** | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Harvested** (1000 HA) | 6 | 6 | 8 | 8 | 0 | 15 |
| **Beginning Stocks** (1000 MT) | 1,540 | 1540 | 1,844 | 1,608 | 0 | 1,649 |
| **Production** (1000 MT) | 22 | 26 | 30 | 32 | 0 | 60 |
| **MY Imports** (1000 MT) | 5,099 | 5,095 | 5,300 | 4,440 | 0 | 4,329 |
| **Total Supply** (1000 MT) | 6,661 | 6,661 | 7,174 | 6,080 | 0 | 6,038 |
| **MY Exports** (1000 MT) | 442 | 442 | 400 | 399 | 0 | 468 |
| **Feed and Residual** (1000 MT) | 2,000 | 2,188 | 2,500 | 1,584 | 0 | 1,655 |
| **FSI Consumption** (1000 MT) | 2,375 | 2,423 | 2,425 | 2,448 | 0 | 2,445 |
| **Total Consumption** (1000 MT) | 4,375 | 4,611 | 4,925 | 4,032 | 0 | 4,100 |
| **Ending Stocks** (1000 MT) | 1,844 | 1,608 | 1,849 | 1,649 | 0 | 1,470 |
| **Total Distribution** (1000 MT) | 6,661 | 6,661 | 7,174 | 6,080 | 0 | 6,038 |
| **Yield** (MT/HA) | 3.667 | 4.333 | 3.750 | 4.000 | 0 | 4.000 |
| | | | | | | |

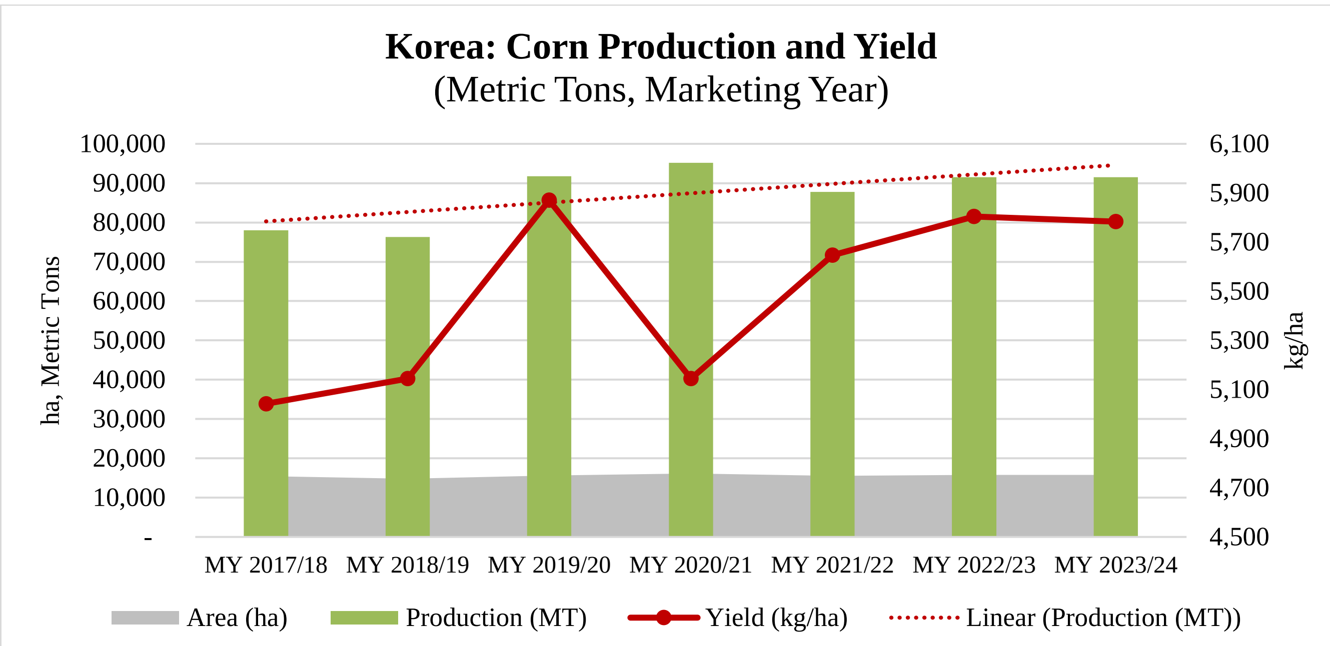
(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

## Corn

### Corn Production

FAS/Seoul forecasts MY 2023/24 (October 1-September 30) corn production to remain flat at 91,000 MT. Corn production is minimal in Korea and accounts for less than one percent of total consumption. The Korean government will release official 2022 crop production data in April 2023. MY 2022/23 corn production estimates were revised to 91,500 MT to the past three-year average, slightly increased from MY 2021/22 of 88,000 MT due to higher yields.

Chart 6




Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA), Korean Statistical Information Service (KOSIS)
Note: MY 2022/23 and MY 2023/24 are FAS/Seoul forecast based on average acreages and yields over the previous three years.

## Corn Consumption

FAS/Seoul forecasts that total corn consumption in MY 2023/24 will reach 11.4 MMT, based on the assumption that feed corn consumption will recover to 9.3 MMT, while FSI consumption will be slightly reduced to 2.1 MMT.

In MY 2022/23, total corn consumption is expected to reach 11.6 MMT, an increase of 0.2 MMT from the previous year. The rapid increase in corn prices led to the decrease of corn feedstock usage for compound feed, offset by increased wheat imports due to relatively lower wheat prices (Chart 8). From October 2022 the price of wheat surpassed corn, so corn consumption is expected to recover to the past three-year average trend. Total MY 2021/22 consumption was unchanged from the previous report at 11.3 MMT.

Compound feed production is expected to remain consistent at 21 MMT annually, with feed corn maintaining a 45 percent market share of total production. In MY 2022/23, corn consumption for feed is expected to reach 9.4 MMT, a 0.5 MMT increase from MY 2021/22 when the price was high enough for buyers to replace some portion with wheat.

Korean consumers have a high level of focus on health issues and trends. A ‘zero-sugar’ trend popular with Korean consumers has gradually reduced the consumption of sweeteners (including starch syrup) while increasing demand for substitute sweeteners such as stevia and allulose, which are marketed as healthier with reduced calories and diabetes control benefits. Assuming this long-term consumer trend continues as a baseline, FAS/Seoul forecasts MY 2023/24 corn consumption for FSI will be slightly reduced to 2.1 MMT, down from 2.2 MMT of MY 2022/23 and 2.3 MMT of MY 2021/22.

### Types of Corn for Processing

Korean corn processors use Genetically Engineered (GE) corn, non-biotech Identity Preserved (IP) corn, and conventional corn to produce corn starch, high fructose corn syrup (HFCS), and corn flour. GE corn is used for starch production for industrial purposes such as paper sizing and glue. Non-GE IP corn and conventional (non-GE) corn are used for corn starch and corn flour. The perceived public concern over biotechnology continues to influence imported processing corn decisions, especially for corn used in production intended for human consumption (such as HFCS and corn oil). Many food processing companies are reluctant to use ingredients derived from biotech corn to avoid these perceived public concerns.

Table 14

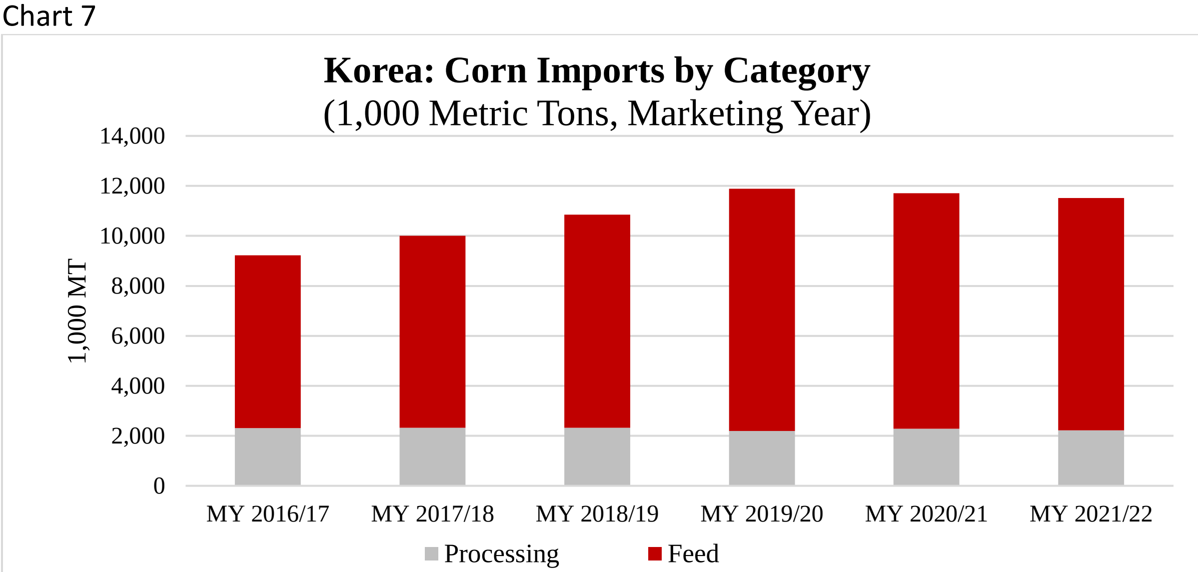
| Korea: Monthly Processing Corn Use (Metric Tons, Marketing Year) | | | | | | |
|---|---|---|---|---|---|---|
| | MY 2021/22 | | | MY 2022/23 | | |
| | Wet Milling | Dry Milling | Total | Wet Milling | Dry Milling | Total |
| October | 181,663 | 5,338 | 187,001 | 166,977 | 5,451 | 172,427 |
| November | 178,061 | 5,589 | 183,650 | 173,100 | 5,415 | 178,515 |
| December | 186,831 | 5,867 | 192,698 | 156,779 | 5,357 | 162,136 |
| January | 182,357 | 5,690 | 188,047 | 122,827 | 5,342 | 128,169 |
| February | 168,568 | 5,277 | 173,846 | N/A | N/A | N/A |
| March | 189,662 | 5,145 | 194,806 | N/A | N/A | N/A |
| April | 179,459 | 6,436 | 185,895 | N/A | N/A | N/A |
| May | 191,860 | 5,978 | 197,838 | N/A | N/A | N/A |
| June | 187,129 | 5,371 | 192,500 | N/A | N/A | N/A |
| July | 188,508 | 4,878 | 193,386 | N/A | N/A | N/A |
| August | 171,422 | 4,556 | 175,979 | N/A | N/A | N/A |
| September | 150,261 | 5,077 | 155,338 | N/A | N/A | N/A |
| **Total** | **2,155,782** | **65,202** | **2,220,984** | **N/A** | **N/A** | **N/A** |

Source: Korea Corn Processing Industry Association (KOCPIA)

**Corn Trade**

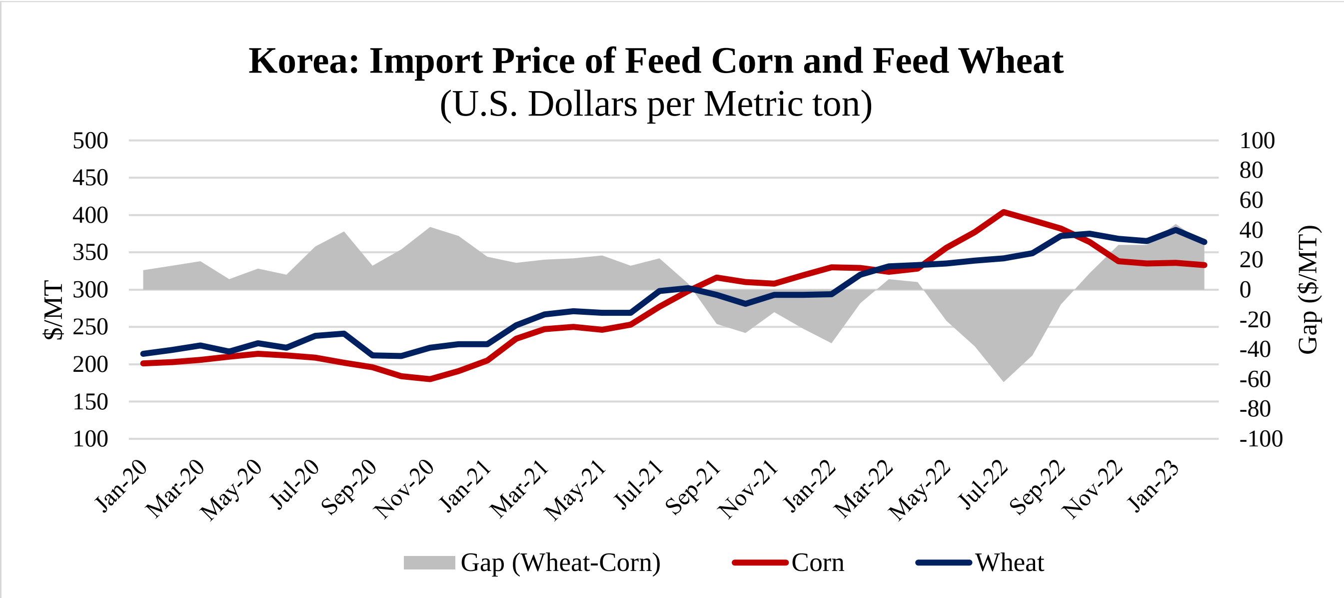
FAS/Seoul forecasts that total MY 2023/24 corn imports will reach 11.7 MMT, gradually recovering to the past three-year average from MY 2021/22 when the import of feed corn was dramatically reduced because of high prices. From October 2022, the import price of feed corn was lower than feed wheat, so MY 2022/23 total corn imports is expected to increaseto 12.1 MMT from 11.5 MMT in MY 2021/22.

Chart 7




Source: Korea Customs Service (KCS)

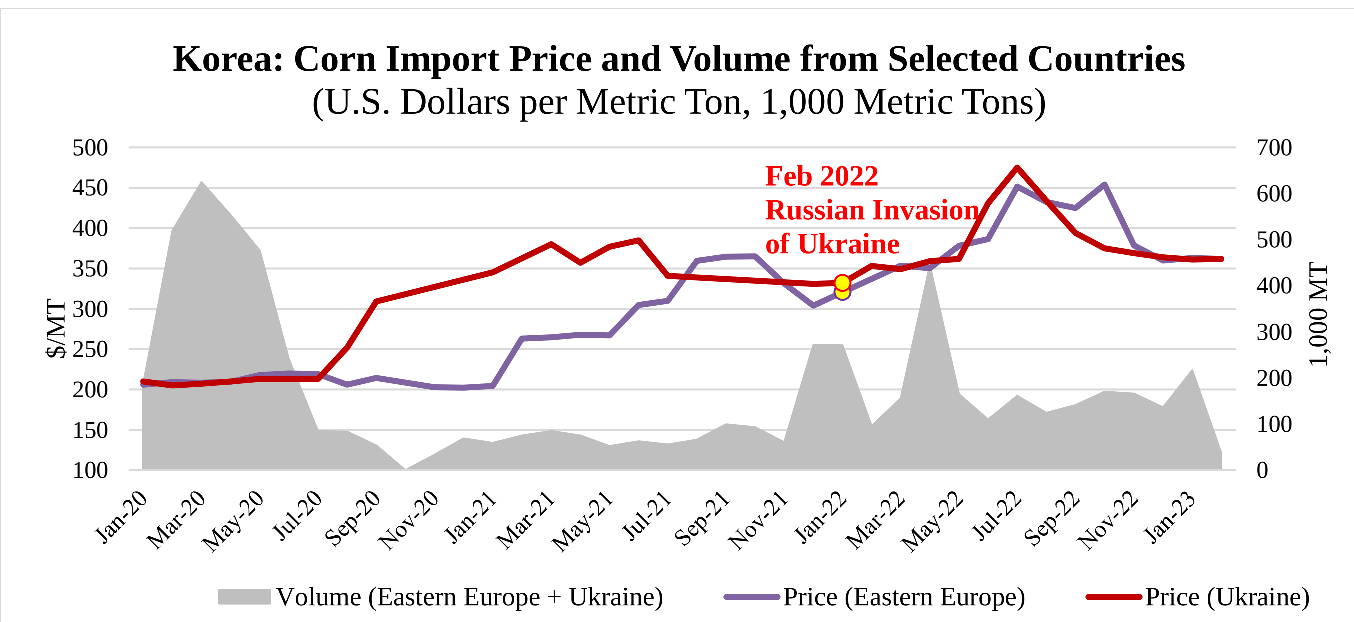
Chart 8




Source: Korea Customs Service (KCS)

After the Russian invasion of Ukraine, the import price of corn rapidly increased, particularly for July to October 2022 deliveries. Since the share of imports from Eastern Europe (including Romania, Serbia, and Bulgaria) and Ukraine had fluctuated with supply uncertainty in recent years, Korean importers have been able to reliably switch to alternative origins even after the situation in Ukraine worsened. During the first five months of the current marketing year, imports of processing corn remained flat at 0.9 MMT, while imports of feed corn increased by 0.3 MMT from the previous year (Table 15).

Chart 9




Source: Korea Customs Service (KCS)

Note: Eastern Europe includes Romania, Serbia, and Bulgaria

Table 15

| Korea: Corn Imports in the First Five Months of MY (1,000 Metric Tons, October to February) | | | | | | |
|---|---|---|---|---|---|---|
| Country | Processing | | | Feed | | |
| | MY 2021/22 | MY 2022/23 | Change | MY 2021/22 | MY 2022/23 | Change |
| Brazil | 257 | 251 | -6 | 414 | 1,401 | 986 |
| Romania | 0 | 103 | 103 | 61 | 1 | -60 |
| USA | 8 | 10 | 1 | 68 | 10 | -58 |
| Serbia | 67 | 10 | -57 | 0 | 0 | 0 |
| South Africa | 53 | 0 | -53 | 68 | 2 | -66 |
| Bulgaria | 255 | 0 | -255 | 0 | 0 | 0 |
| Argentina | 0 | 0 | 0 | 2,845 | 2,260 | -585 |
| Others | 46 | 37 | -8 | 5 | 329 | 324 |
| Sub Total | 686 | 411 | -275 | 3,460 | 4,001 | 541 |
| Ukraine | 144 | 516 | 371 | 265 | 97 | -169 |
| Russia | 98 | 0 | -98 | 62 | 6 | -57 |
| Sub Total | 242 | 516 | 274 | 328 | 102 | -225 |
| **World** | **927** | **927** | **-1** | **3,788** | **4,104** | **316** |

Source: Korea Customs Service (KCS)

Food Corn

Korean buyers import GE corn from the United States and Brazil, and Non-GE corn from the Eastern Europe and the United States. Korea introduced a positive list system (PLS) as part of a new maximum residue limit (MRL) regulation in 2019, requiring all agricultural chemicals used on plant products to have registered import tolerances. Concerns over PLS complications and risks have reportedly driven some major U.S. suppliers to not participate in the bidding for Korean corn contracts. Accordingly, the U.S. share of total food corn imports decreased from 16 percent in MY 2019/20 to 7 percent in MY 2021/22 (Table 16). Regulatory authorities and private sector stakeholders are working to adapt to this new regime and resolve MRL uncertainties, but the reduction in U.S. market share will remain at the current reduced level in the near future based on the current policy situation.

Feed Corn

The top three suppliers (Argentina, Brazil, and the United States) generally account for 90 percent of total feed corn imports. The share of each country varies annually based primarily on price differences. The U.S. market share in MY 2021/22 declined sharply due to competition from lower-priced South American feed corn (Table 17). Buyer preference for the lower ratios of broken corn and foreign material (BCFM) in South American corn contributed to this shift, but this factor was secondary to price. According to Korean importers, the latest U.S. crop corn has had fewer BCFM issues, but high U.S. corn prices are still reducing buyer interest in U.S. corn. Production decreases this year caused by the severe drought in Argentina will also tighten the South American feed corn supply, so the U.S. share will gradually recover at the end of 2023. Because Korean buyers have already finished purchasing feed corn for deliveries through August 2023, the U.S. share of feed corn in the current MY 2022/23 will fall below 10 percent, from 14 percent in MY 2021/22.

Table 16

**Korea: Imports of Processing Corn by Country**
(1,000 Metric Tons, Marketing Year)

| Country | Volume | | | Share (Percent) | | |
|---|---|---|---|---|---|---|
| | MY 2019/20 | MY 2020/21 | MY 2021/22 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| Bulgaria | 213 | 166 | 358 | 10 | 7 | 16 |
| Serbia | 612 | 507 | 293 | 28 | 22 | 13 |
| Brazil | 418 | 380 | 319 | 19 | 17 | 14 |
| Romania | 4 | 2 | 216 | 0 | 0 | 10 |
| USA | 361 | 467 | 152 | 16 | 20 | 7 |
| Others | 90 | 257 | 192 | 4 | 11 | 9 |
| Sub Total | 1,699 | 1,779 | 1,529 | 78 | 78 | 69 |
| Ukraine | 292 | 50 | 518 | 13 | 2 | 23 |
| Russia | 196 | 456 | 175 | 9 | 20 | 8 |
| Sub Total | 489 | 506 | 693 | 22 | 22 | 31 |
| **World** | **2,187** | **2,285** | **2,221** | **100** | **100** | **100** |

Source: Korea Customs Service (KCS)

Table 17

**Korea: Imports of Feed Corn by Country**
(1,000 Metric Tons, Marketing Year)

| Country | Volume | | | Share (Percent) | | |
|---|---|---|---|---|---|---|
| | MY 2019/20 | MY 2020/21 | MY 2021/22 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
| Argentina | 2,482 | 3,673 | 5,698 | 26 | 39 | 61 |
| Brazil | 2,115 | 1,994 | 1,230 | 22 | 21 | 13 |
| South Africa | 247 | 212 | 227 | 3 | 2 | 2 |
| Romania | 226 | 5 | 119 | 2 | 0 | 1 |
| USA | 2,243 | 3,225 | 1,319 | 23 | 34 | 14 |
| Others | 686 | 232 | 27 | 7 | 2 | 0 |
| Sub Total | 7,998 | 9,340 | 8,620 | 83 | 99 | 93 |
| Ukraine | 1,670 | 2 | 590 | 17 | 0 | 6 |
| Russia | 27 | 80 | 79 | 0 | 1 | 1 |
| Sub Total | 1,696 | 82 | 669 | 17 | 1 | 7 |
| **World** | **9,695** | **9,422** | **9,289** | **100** | **100** | **100** |

Source: Korea Customs Service (KCS)

Tariffs

In late December 2022, the Ministry of Economy and Finance (MOEF) released the adjusted tariffs and autonomous tariff rate quotas (TRQs) for 2023. The autonomous TRQs cover a variety of agricultural products, including corn. The TRQ for feed corn was set at 11 MMT with zero duty for 2023. The TRQ for processing corn was increased to 2.15 MMT from 1.98 MMT in the previous year.

The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. Please refer to the GAIN report 2023 Korea's Adjustment and Quota Tariffs Schedule for more details.

11 MMT of the annual autonomous TRQ for feed corn has been allocated to feed millers who are members of the Korea Feed Association (KFA) and the national farmer's cooperative, Nonghyup Feed Inc. (NOFI). Meanwhile, the Korea Corn Processing Industry Association (KOCPIA) manages the 2.15 MMT TRQ for processing corn.

Under the KORUS FTA, the duty on U.S. feed corn immediately fell to zero in 2012. If imports of U.S. corn claim the KORUS preferential duty, those imports do not count against the global autonomous TRQ of 11 MMT. Since 2019, tariffs were completely phased out on U.S. corn for food processing, and the duty fell to zero.

Table 18

**Korea: Corn Import Tariff Rates for CY 2023**
(Percent)

| Commodity | | In-Quota | | | | Out-of-Quota Bound Tariff Rate |
|---|---|---|---|---|---|---|
| | | WTO Current Market Access Quota | | Autonomous Quota | | |
| | | Volume | percent | Volume | percent | percent |
| Feed Corn | 1005.90.1000 | 6,102,100 MT | 1.8 | 11 MMT | 0 | 328 |
| Processing Corn | 1005.90.9000 | | 3 | 2.15 MMT | 0 | 328 |

Table 19
**Production, Supply and Distribution: Corn**

| **Corn** | **2021/2022** | | **2022/2023** | | **2023/2024** | |
|---|---|---|---|---|---|---|
| **Market Year Begins** | **Oct 2021** | | **Oct 2022** | | **Oct 2023** | |
| **Korea, Republic of** | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Harvested** (1000 HA) | 16 | 16 | 15 | 16 | 0 | 16 |
| **Beginning Stocks** (1000 MT) | 2,018 | 2,018 | 2,063 | 2,300 | 0 | 2,877 |
| **Production** (1000 MT) | 95 | 88 | 79 | 92 | 0 | 91 |
| **MY Imports** (1000 MT) | 11,519 | 11,510 | 11,000 | 12,073 | 0 | 11,700 |
| **Total Supply** (1000 MT) | 13,632 | 13,616 | 13,142 | 14,465 | 0 | 14,668 |
| **MY Exports** (1000 MT) | - | 3 | - | - | 0 | - |
| **Feed and Residual** (1000 MT) | 9,219 | 8,989 | 8,700 | 9,408 | 0 | 9,308 |
| **FSI Consumption** (1000 MT) | 2,350 | 2,324 | 2,350 | 2,180 | 0 | 2,130 |
| **Total Consumption** (1000 MT) | 11,569 | 11,313 | 11,050 | 11,588 | 0 | 11,438 |
| **Ending Stocks** (1000 MT) | 2,063 | 2,300 | 2,092 | 2,877 | 0 | 3,230 |
| **Total Distribution** (1000 MT) | 13,632 | 13,616 | 13,142 | 14,465 | 0 | 14,668 |
| **Yield** (MT/HA) | 5.94 | 5.50 | 5.27 | 5.75 | - | 5.69 |
| | | | | | | |

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

## Milled Rice

### Rice Production

FAS/Seoul forecasts MY 2023/24 (November 1-October 30) rice production down five percent to 3.57 MMT (milled basis), from 3.76 MMT in the previous year. This is due to a reduction in rice acreage driven by Korean government initiatives and subsidies intended to shift rice acreage to alternative crops. High rice production in recent years, coupled with a longer-term decline in rice consumption, has pushed domestic rice stockpiles higher and prices lower.

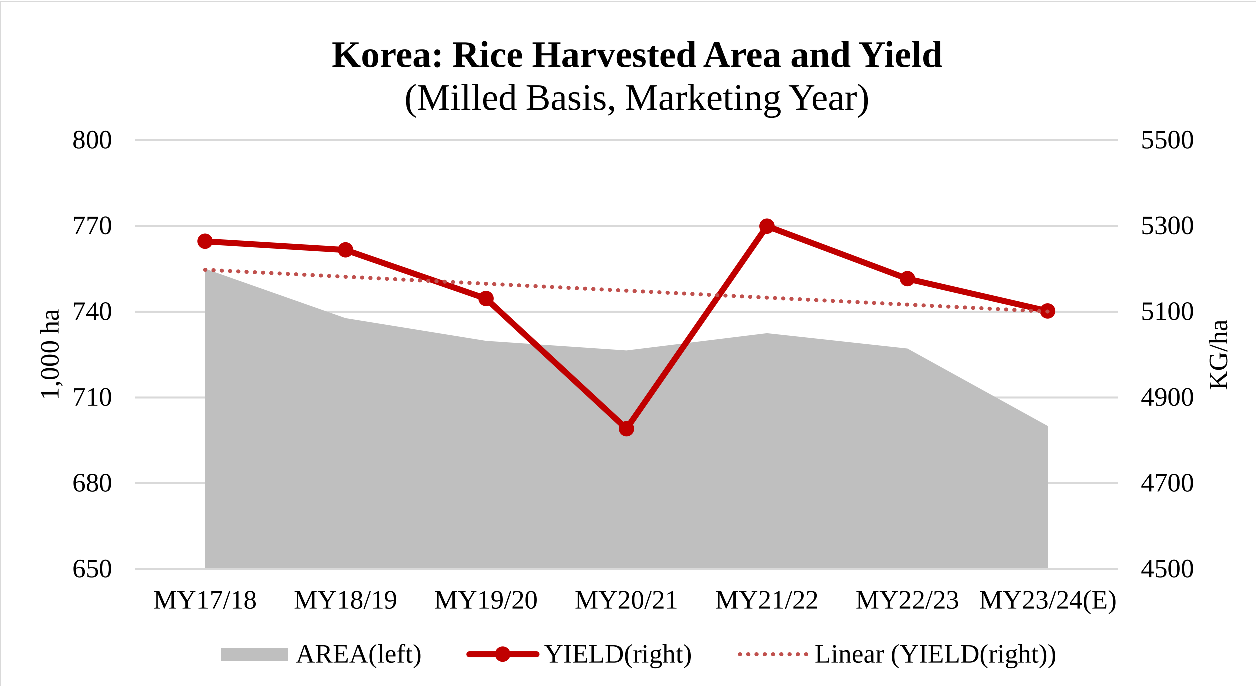
MAFRA is aiming to reduce planted rice acreage in MY 2023/24 to 690,000 ha, down 37,000 ha (5.1 percent) from the current MY 2022/23 acreage estimate. The most important part of these efforts is the 'Strategic Crop Direct Payment Plan' which provides incentives for the cultivation of alternative crops (including wheat), with an expected 16,000 ha acreage reduction. However, there are some concerns among rice producers over the duration of direct payments for alternative crops since there was a similar incentive offered from 2018 to 2020 with limited impact. This previous policy offered incentives of 4,000,000 to 4,300,000 Korean won (equivalent to $3,200 to $3,440) per hectare for producers planting alternative crops.

Another government effort to reduce rice acreage is directed at reducing the use of high-yield rice varieties. The government announced that it will plan to halt the purchase of the high-yield seed from 2024 and to stop the distribution of these varieties from 2025. 'High yield' is defined as a minimum of 570 kg per 10 acres. According to MAFRA, the portion of high-yield variety is expected to decrease to 8.2 percent by 2024, from 20.2 percent in 2022 and 15.9 percent in 2023.

Other longer-term factors working against rice acreage reduction include the high average age of rice producers, the specialized equipment used for rice cultivation, and the relatively higher mechanization rate for rice production, all of which result in reluctance among producers to shift away from rice. According to official statistics from MAFRA and the Korea Rural Economic Institute (KREI), the average age of rice farmers in Korea is 67.2 and the mechanization rates is the highest of all crops at 99.3 percent. In comparison, the mechanization rate for potatoes is 72 percent and 48 percent for peppers.

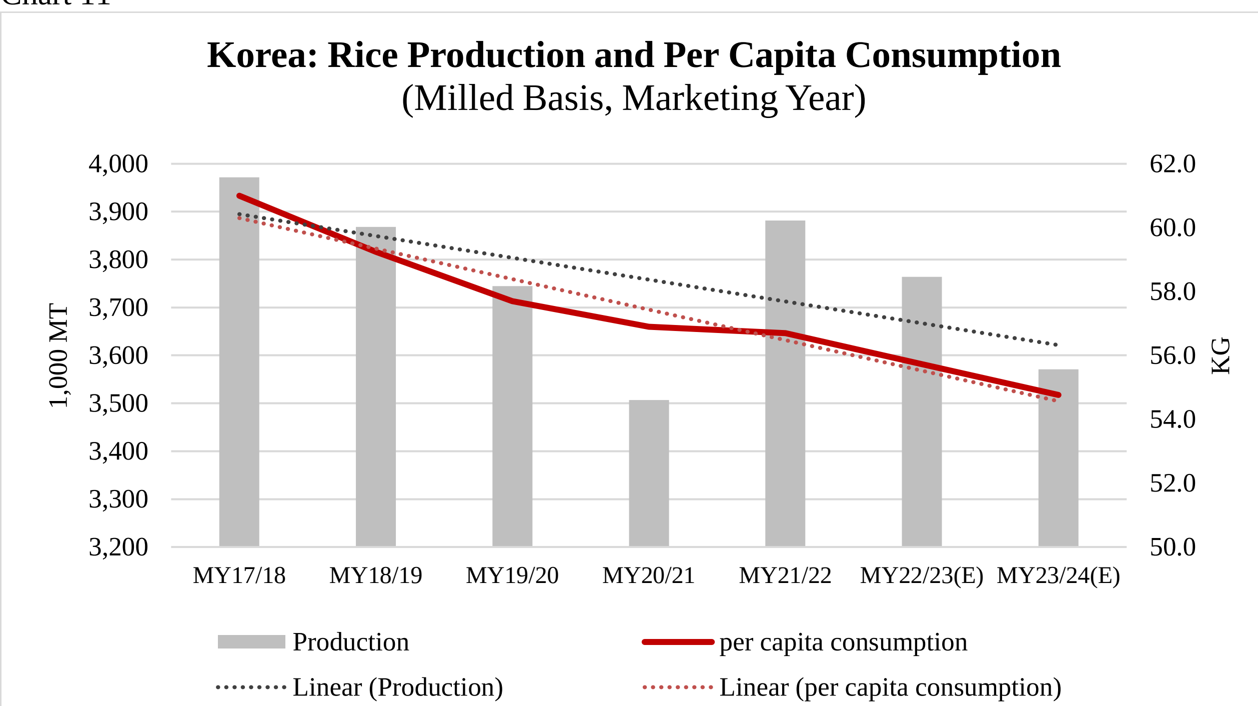
The MY 2022/23 rice production estimate remains unchanged from FAS/Seoul's previous report Grain and Feed Update at 3.76 MMT.

Chart 10




Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA)
Note: MY 2023/24 is FAS/Seoul estimates. Considering the uncertainty of policy, the area is projected to 700,000 hectares, rather than the government's initial target as 690,000 hectares.

Chart 11




Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA)
Note: MY 2022/23 and MY 2023/24 are FAS/Seoul estimates.

Production Policy

*Strategic Crop Direct Payment Plan*

The rice acreage reduction incentives in this Plan were introduced for the first time this year to relieve the chronic rice oversupply by expanding the domestic production of other strategic crops. The strategic crops include wheat, soybean, rice for flour, and feed hay. Producers who opt to plant these crops rather than rice can receive subsidies from the government, with the amount ranging from 500,000 to 4,800,000 Korean won (equivalent to $400 to $3,840) per hectare, depending on the type of crop.

*Rice for Flour Industry Fostering Measures*

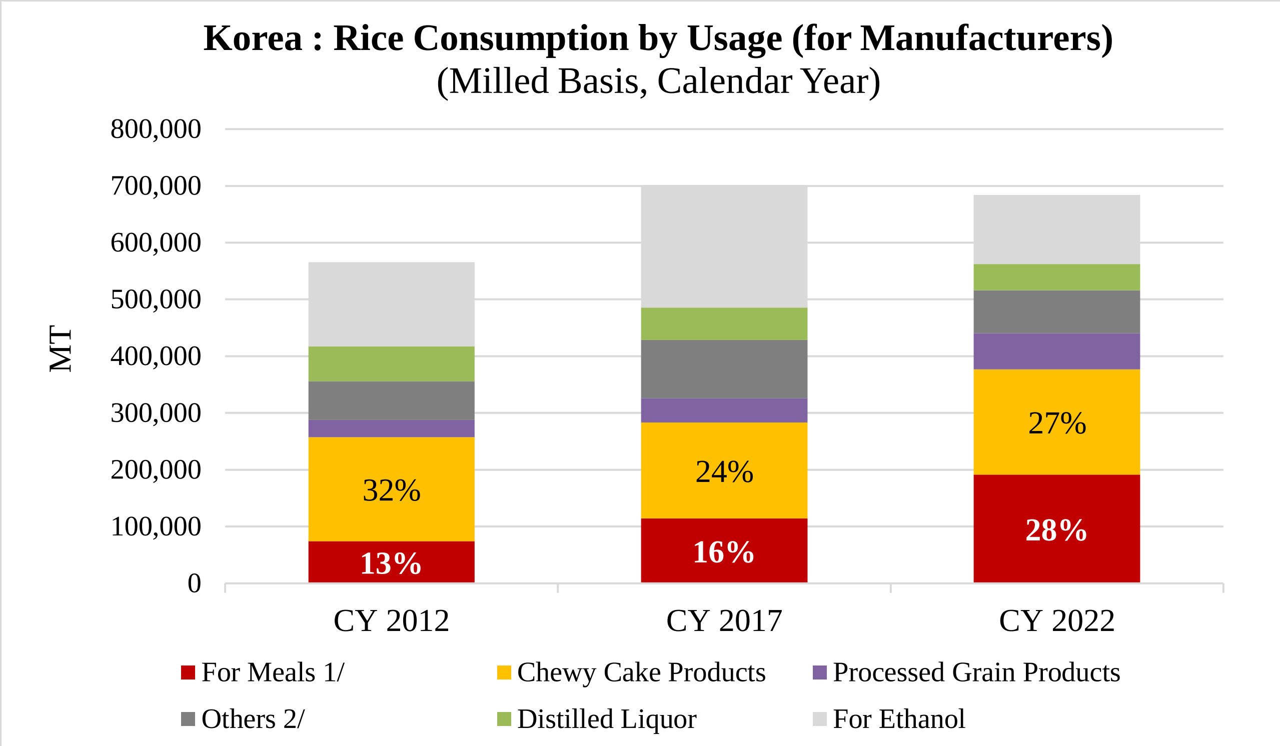
On June 8, 2022, MAFRA announced a long-term plan to promote rice for flour production as one of the solutions to mitigate over-supply of domestic rice. This measure intends to expand rice flour production capacity by establishing dedicated production facilities and to replace demand for wheat for food to increase the self-sufficiency rate of grains. Details on the new policy are in this press release: MAFRA to Promote Rice Processing Industry with Floury Rice Powder to Achieve both Food Security and Rice Supply and Demand Balance

**Rice Consumption**

FAS/Seoul forecasts MY 2023/24 rice consumption will fall slightly to 3.87 MMT, further decreased from 3.91 MMT in MY 2022/23 and 3.94 MMT in MY 2021/22. Per capita consumption of table rice is expected to continuously fall, reaching 55 kg in MY 2023/24 due to the changing composition of household types in Korea and preference for ready-to-eat products, particularly from single-person and dual-income households. On March 13, 2023, MAFRA announced the expansion of a program to provide subsidized breakfasts for 1,000 Korean won ($0.76) to promote rice consumption for university students, a demographic that rarely eats breakfast meals and is most rapidly shifting away from rice consumption.

In contrast to falling household use, rice consumption in the processing sector has increased due to the demand for convenient home-style meals (Table 26). Korean food processors consume about 500,000 MT of rice for manufacturing foods and 200,000 MT for manufacturing alcoholic beverages. The share of processing rice consumption for manufacturing meals such as lunchboxes and home meal replacements (HMR) rapidly increased from 13 percent in CY 2012 to 28 percent in CY 2022.

Chart 12




Source: Korean Statistical Information Service (KOSIS)
1/ includes lunchbox, HMR, and retort food
2/ includes traditional pastes, confectionery, noodle and starch usages

Rice Trade

In accordance with WTO commitments, Korea imports 0.41 MMT of rice annually on a Most Favored Nation (MFN) basis at the current duty level of 5 percent under the TRQ regime implemented in 2015. At the end of 2019, Korea allocated 0.39 MMT of country specific quota (CSQ) within the TRQ for five trading partners (the United States, China, Vietnam, Thailand, and Australia) following negotiations to resolve a WTO dispute on rice tariffication. The remaining 0.02 MMT is allocated on an MFN basis and is also available to the five countries with CSQs. Tariffs outside the quota remain prohibitively high at 513 percent.

In MY 2023/24, total rice imports are forecast to remain at 0.41 MMT under the WTO preferred quota, the same level as the previous year. MY 2021/22 rice imports were 0.45 MMT, unchanged from the previous report.

On February 8, 2023, the Korea Agro-Fisheries and Food Trade Corporation (aT) initiated the first 2023 rice TRQ tenders, but none have been contracted as of March 2023.

Table 20

| Korea: Rice Imports in the first 4 Months of the MY<br>(Milled Basis, Metric Tons, November to February) | | | | | | |
|---|---|---|---|---|---|---|
| Country | Processing Rice | | | Table Rice | | |
| | MY 2021/22 | MY 2022/23 | Change | MY 2021/22 | MY 2022/23 | Change |
| USA | 20,101 | 0 | -20,101 | 10,926 | 13,900 | 2,974 |
| China | 77,206 | 41,339 | -35,867 | 1 | 1 | 0 |
| Thailand | 12,894 | 25,549 | 12,655 | 1 | 2 | 1 |
| Australia | 14,317 | 8,930 | -5,387 | 0 | 0 | 0 |
| Vietnam | 9,000 | 0 | -9,000 | 1,000 | 0 | -1,000 |
| **Total** | **133,518** | **75,818** | **-57,700** | **11,929** | **13,903** | **1,974** |

Source: Korea Customs Service (KCS)

Table 21

| Korea: 2023 Rice TRQ Allocation by Country<br>(Milled Basis, Metric Tons, Calendar Year) | | | | |
|---|---|---|---|---|
| Country | CY 2022 | | | CY 2023 |
| | Allocation | Filled | Residue | Allocation |
| USA | 132,304 | 36,190 | 96,114 | 132,304 |
| China | 157,195 | 157,195 | - | 157,195 |
| Vietnam | 55,112 | 55,112 | - | 55,112 |
| Thailand | 28,494 | 28,494 | - | 28,494 |
| Australia | 15,595 | 15,595 | - | 15,595 |
| MFN | 20,000 | 20,000 | - | 20,000 |
| **Total** | **408,700** | **312,586** | **96,114** | **408,700** |

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

Market Distribution of Imported Table Rice (aT Auctions)

aT continues to sell imported table rice to consumer distribution channels on a weekly basis through a public auction system (www.atbid.co.kr). aT distributes imported processing rice directly to end-users, such as food processors and alcoholic beverage producers, at a set price throughout the year.

In 2023, aT auctioned 499 MT of long grain table rice imported from Thailand under the 2022 TRQ (as of March 28, 2023). There were no sales of other origins, such as the United States and Vietnam.

For U.S. medium-grain table rice, aT started auctioning rice imported under the 2020 TRQ from October 5, 2021, with a temporary pause starting on September 14, 2022, due to limited retailer demand with imported prices surpassing domestic rice prices. aT will resume auctioning of U.S. rice in 2023, but has not yet decided on the exact date. With domestic rice prices continuously decreasing, market demand for imported rice is expected to remain limited in the near future. (Chart 13)

Table 22

| Korea: Status of Rice Auction for Table Rice under 2020 TRQ (Metric Tons, Milled basis, as of March 28, 2023) | | | | | | |
|---|---|---|---|---|---|---|
| Commodity (Period of Auctions) | USDA Grade | Total Table Rice TRQ | Auctioned Off | Balance | Auctioned Off (%) | Auctioned Price[1/] |
| U.S. Medium Grain (Oct. 5, 2021, ~) | #1 | 38,500 | 18,869 | 19,631 | 49 | 1,929 |
| Thai Long Grain (Apr. 5 ~ Aug. 16, 2021) | #3 | 1,410 | 1,410 | 0 | 100 | 1,366 |
| | #1[a/] | 90 | 90 | 0 | 100 | 3,278 |
| **Total** | **-** | **40,000** | **20,369** | **19,631** | **51** | **-** |

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
a/ Hom Mali

Table 23

| Korea: Status of aT Selling Auctions for Table Rice under 2021 TRQ (Metric Tons, Milled Basis, as of March 28, 2023) | | | | | | |
|---|---|---|---|---|---|---|
| Commodity (Period of Auctions) | USDA Grade | Total Table Rice TRQ | Auctioned Off | Balance | Auctioned Off (%) | Auctioned Price[1/] |
| U.S. Medium Grain | #1 | 41,500 | 0 | 41,500 | 0 | N/A |
| Thai Long Grain (Aug. 23, 2021, ~ Jun. 27, 2022) | #1 | 1,400 | 1,400 | 0 | 100 | 1,248 |
| | #1[a/] | 100 | 100 | 0 | 100 | 3,107 |
| Vietnamese Long Grain (Jan. 24, 2022, ~Jul. 6, 2022) | #1 | 1,000 | 991 | 9 | 99 | 1,208 |
| **Total** | **-** | **44,000** | **2,491** | **41,509** | **6** | **-** |

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
a/ Hom Mali

Table 24

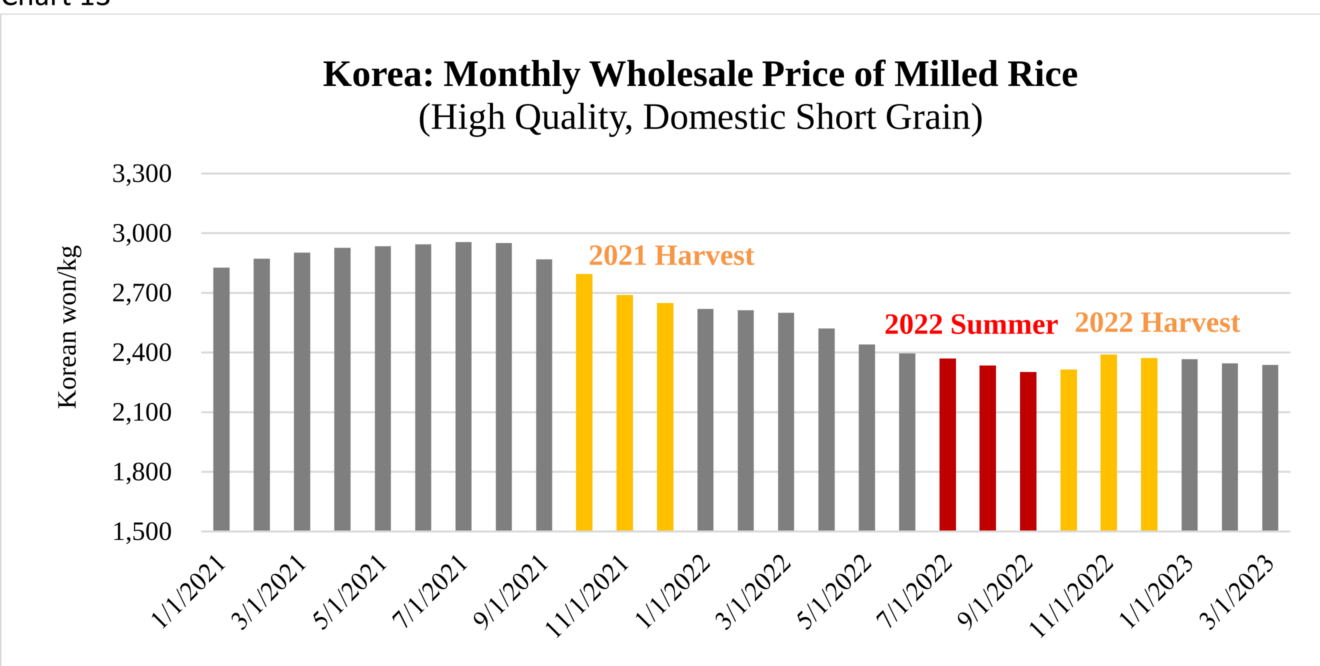
| Korea: Status of aT Selling Auctions for Table Rice under 2022 TRQ (Metric Tons, Milled Basis, as of March 28, 2023) | | | | | | |
|---|---|---|---|---|---|---|
| Commodity (Period of Auctions) | USDA Grade | Total Table Rice TRQ | Auctioned Off | Balance | Auctioned Off (%) | Auctioned Price[1/] |
| U.S. Medium Grain | #1 | 10,000 | 0 | 10,000 | 0 | N/A |
| Thai Long Grain (Jul. 4, 2022, ~) | #1 | 3,000 | 2,501 | 499 | 83 | 1,357 |
| **Total** | | **13,000** | **2,501** | **10,499** | **19** | |

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg

Domestic Price

In CY 2022, domestic rice prices have substantially dropped, with annual prices even falling below harvest season prices, typically the lowest point in the year. In October 2022, the Korean government released the annual rice reserve plan to purchase a total of 820,000 MT of rice (milled basis) which was up 100,000 MT from the previous year, but prices are still under pressure from excess stocks. As of March 28, 2023, the domestic price is 2,337 Korean won ($1.79) per kg, 10 percent lower on a year-on-year basis and one percent lower than during the 2022 harvest season (Table 27).

Chart 13




Source: Korea Agricultural Market Information Service (KAMIS), aT

Exports

Korea exports about 53,000 MT of rice annually, mostly for food aid donations under the Food Assistance Convention (FAC) that Korea joined in 2018. Recipients of Korean food aid include Yemen, Ethiopia, Kenya, Uganda, and Laos.

The Korean government is trying to gradually increase global rice donations via the World Food Programme (WFP), based on plans announced by MAFRA in January 2023. Also, the government plans to establish a 'K-rice belt' across seven countries in Africa to advance current official development assistance (ODA) programs to countries that are struggling with a lack of agricultural infrastructure. This includes assistance to build up the infrastructure in those countries to help them to expand their domestic production, rather than direct rice aid.

Table 25
**Production, Supply and Distribution: Rice**

| **Rice, Milled** | **2021/2022** | | **2022/2023** | | **2023/2024** | |
|---|---|---|---|---|---|---|
| **Market Year Begins** | **Nov 2021** | | **Nov 2022** | | **Nov 2023** | |
| **Korea, Republic of** | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Harvested** (1000 HA) | 732 | 732 | 727 | 727 | 0 | 700 |
| **Beginning Stocks** (1000 MT) | 1018 | 1018 | 1334 | 1358 | 0 | 1566 |
| **Milled Production** (1000 MT) | 3882 | 3882 | 3764 | 3764 | 0 | 3571 |
| **Rough Production** (1000 MT) | 5211 | 5211 | 4999 | 4998 | 0 | 4778 |
| **Milling Rate (.9999)** (1000 MT) | 7450 | 7450 | 7530 | 7531 | 0 | 7474 |
| **MY Imports** (1000 MT) | 437 | 448 | 420 | 408 | 0 | 408 |
| **Total Supply** (1000 MT) | **5337** | **5348** | **5518** | **5530** | 0 | **5545** |
| **MY Exports** (1000 MT) | 53 | 53 | 55 | 53 | 0 | 53 |
| **Consumption and Residual** (1000 MT) | 3950 | 3937 | 4000 | 3911 | 0 | 3873 |
| **Ending Stocks** (1000 MT) | 1334 | 1358 | 1463 | 1566 | 0 | 1619 |
| **Total Distribution** (1000 MT) | **5337** | **5348** | **5518** | **5530** | 0 | **5545** |
| **Yield (Rough)** (MT/HA) | 7.1 | 7.1 | 6.9 | 6.9 | 0.0 | 6.8 |
| | | | | | | |

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, milled begins in January for all countries. TY 2021/2022 = January 2022 - December 2022

**Appendix**

Table 26

| Korea: Rice Consumption by Usage (for Manufacturers) (Metric Tons, Calendar Year) | | | | | | |
|---|---|---|---|---|---|---|
| Manufacturing Industry | Volume | | | Share (Percent) | | |
| | CY 2012 | CY 2017 | CY 2022 | CY 2012 | CY 2017 | CY 2022 |
| For Meals [1/] | 74,495 | 114,341 | 191,640 | 13 | 16 | 28 |
| Chewy Cake Products | 183,095 | 168,865 | 185,079 | 32 | 24 | 27 |
| Processed Grain Products | 29,995 | 42,839 | 63,967 | 5 | 6 | 9 |
| Others [2/] | 68,488 | 102,784 | 75,208 | 12 | 15 | 11 |
| Sub Total | 356,073 | 428,829 | 515,894 | 62 | 61 | 75 |
| Distilled Liquor | 61,386 | 56,872 | 46,582 | 11 | 8 | 7 |
| For Ethanol | 148,016 | 215,803 | 121,775 | 26 | 30 | 18 |
| Sub Total | 214,640 | 278,874 | 175,528 | 38 | 39 | 25 |
| **Total** | **570,713** | **707,703** | **691,422** | **100** | **100** | **100** |

Source: Korean Statistical Information Service (KOSIS)
1/ includes lunchbox, HMR, and retort food
2/ includes traditional pastes, confectionery, noodle and starch usages

Table 27

| Korea: Monthly Wholesale Price of Milled Rice (High Quality, Domestic Short Grain, As of March 27) | | | | | | |
|---|---|---|---|---|---|---|
| Month/Year | CY2019 | CY2020 | CY2021 | CY2022 | CY2023 | |
| | Won/Kg | Won/Kg | Won/Kg | Won/Kg | Won/Kg | YoY (%) |
| January | 2,469 | 2,355 | 2,827 | 2,619 | 2,366 | - 9.7 |
| February | 2,469 | 2,353 | 2,872 | 2,612 | 2,345 | - 10.2 |
| March | 2,470 | 2,355 | 2,903 | 2,600 | 2,337 | - 10.1 |
| April | 2,464 | 2,350 | 2,926 | 2,521 | | |
| May | 2,459 | 2,349 | 2,935 | 2,441 | | |
| June | 2,452 | 2,420 | 2,944 | 2,396 | | |
| July | 2,449 | 2,436 | 2,955 | 2,368 | | |
| August | 2,450 | 2,470 | 2,951 | 2,333 | | |
| September | 2,447 | 2,536 | 2,869 | 2,301 | | |
| October | 2,307 | 2,620 | 2,794 | 2,314 | | |
| November | 2,362 | 2,780 | 2,687 | 2,390 | | |
| December | 2,352 | 2,811 | 2,647 | 2,372 | | |
| **Average** | **2,429** | **2,487** | **2,858** | **2,437** | **2,350** | **- 3.6** |

Source: Korea Agricultural Market Information Service (KAMIS)

**Attachments:**

No Attachments

**Attachments:**

No Attachments